

Australian government loses support of independent MP

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Prime Minister Julia Gillard's minority government has lost the support of independent parliamentarian Andrew Wilkie, reducing its effective majority in the House of Representatives to just one seat. The highly precarious Labor government now depends on the support of Greens MP Adam Bandt, regional independents Tony Windsor and Rob Oakeshott, and Liberal Party defector Peter Slipper, who last year defied his colleagues to accept the job of parliamentary speaker.

The falling out between Wilkie and Gillard has shed light on the Labor Party's intimate ties with the multi-billion dollar gambling industry.

Wilkie, a former intelligence analyst who resigned from the Office of National Assessments in March 2003 in protest against the Howard government's lies about Iraqi weapons of mass destruction, narrowly won election as an independent in the 2010 federal election, representing the Tasmanian electorate of Denison. After the election delivered a hung parliament—the first in 70 years—Wilkie pledged to support the Labor Party in return for several commitments, including new restrictions on poker, or slot, machine gambling. Gillard signed a pledge to have all poker machines (“pokies”) fitted with what are called pre-commitment systems by 2014, making people nominate a cap on the amount of money they were prepared to lose.

The prime minister, however, has instead decided to merely trial pre-commitment systems in the Australian Capital Territory, and supposedly then require pre-commitment technology to be installed in poker machines nationally in 2016. This is after the next federal election, and so may never happen at all.

Gillard insisted that her about-face was dictated by the lack of support in parliament for the 2014 deadline. The real reason for the back down, however, was the campaign waged by the pokies industry.

Gambling is big business, with \$19 billion in total revenues recorded in Australia in 2008-2009, the most recent year such data is available. The industry enjoys intimate relations with both the Labor Party and the opposition Liberal-National coalition. Every year, casino interests, hotels and clubs donate hundreds of thousands of dollars to the major parties. These lobby groups had threatened to mount an advertising blitz at the next election against Labor parliamentarians in marginal seats, especially targeting those in New South Wales (NSW). The state is home to about half of Australia's 200,000 poker machines.

NSW Labor MPs enthusiastically hailed Gillard's repudiation of the Wilkie deal. Mike Kelly, of the regional seat of Eden-Monaro, declared Gillard's proposal “the best crafted policy package I have ever seen.” Craig Thomson, from the NSW central coast electorate of Dobell, declared the decision a “big win for NSW Labor MPs who have argued this position strongly for the past year.”

Australia has the highest number of poker machines, per capita, of any country. The Labor Party is indifferent to the social misery generated by its promotion of the gambling industry. Every level of government in the country is tied to the pokies in one way or another. State governments derive an average of 10 percent of their total tax intake from gambling revenues.

The super-profits generated by the pokies largely depend on the predatory exploitation of the most vulnerable and socially isolated layers of society, including the elderly, unemployed and immigrants. A Productivity Commission report in 2010 revealed that those who regularly play the pokies, one or more times a week, lose an average of between \$7,000 and \$8,000 a year. The machines are designed to induce rapid and repeated gambling, with players able to lose as much as \$1,200 an hour. It is estimated that those described as “problem gamblers” generate 40 percent of total pokies revenue.

Wilkie’s posturing as a champion of those affected by gambling is belied by his record of support for the Gillard government. He previously issued an unconditional commitment to vote for the government’s budgets. Wilkie, like the Greens, has voted for all of Labor’s regressive policies, including the vicious measures directed against single mothers and disabled people that were prominent in last year’s budget. Similarly, his nominal opposition to the occupation of Afghanistan did not prevent him from voting for the government’s budgetary provisions funding the war effort. He now insists he would “consider budget measures on their merits.”

Wilkie also declared that he would seek “warmer” relations with opposition leader Tony Abbott, though Wilkie maintained that he would only support a no-confidence motion against the government if there were “serious misconduct” and would not back “politically opportunistic motions.”

Gillard’s rejection of Wilkie’s demands on poker machines has been generally well received by the media, particularly the Murdoch press, although several commentators expressed concern that the episode would reinforce the prime minister’s image as a dishonest and unprincipled manoeuvrer. Nevertheless, as far as the corporate elite is concerned, problem gambling is not an issue that warrants significant political attention. Nor is it something that they want the government held to ransom over by an independent MP.

Gillard is tasked with getting on with the job of advancing further pro-business restructuring measures. The Labor government remains under enormous pressure to match the new competitive benchmarks established with the austerity cuts imposed in the US and Europe. The *Australian Financial Review* today cautioned that Gillard’s moves to shore up her minority government had come at “a considerable cost to her political credibility” and “does not bode well for the government’s ability to negotiate the tough decisions and policy shifts that may be necessary if the economy enters a period of weakness.”

If a decision is made within ruling circles that a change in government is necessary, there is no shortage of pretexts available for stripping Gillard of her one-seat parliamentary buffer and removing her from office.



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